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CENTRAL INTELLIGENCE AGENCY

10 February 1949

INTELLIGENCE MEMORANDUM NO. 82 (Supplement)

SUBJECT: Soviet and Satellite Procurement of Strategic Materials

REFERENCE: IM-82 "Intensification of Soviet Efforts to Procure Strategic Materials"

Since the preparation of IM-82 on 17 November 1948, the following additional information relative to Soviet and Satellite procurement of strategic materials has been received:

1. Industrial Diamonds.

The USSR is further intensifying its efforts to procure increased quantities of industrial diamonds as is shown in the following reports: A US firm is reported to be purchasing industrial diamonds in Brazil and Venezuela for the account of Amtorg. The USSR is reported to be negotiating with a Dutch firm for the purchase of \$2½ million worth of industrial stones, a quantity which represents several years' consumption for the Soviet Union. Dutch firms have been acquiring increased quantities from British and Belgian diamond merchants.

2. Tin.

Soviet representatives in Bangkok are reported to be arranging a Letter of Credit of about a million dollars from the Chase National Bank to cover tin purchases by a small Chinese trading company.

3. Copper.

Czechoslovakia purchased from Mexico 1206 metric tons of electrolytic copper at a price of US 25.925 cents (2 cents over US export price) per pound f.o.b. Vera Cruz; 1000 tons to be shipped in October and the remainder in November.

4. Abrasives.

In the last few months US exporters and manufacturers have received an unusually high number of requests for quotations on abrasive grains.

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These requests appear to be spurious because the quantities and qualities wanted are not in accordance with the needs of the inquiring country. No less than fifteen of such inquiries from dealers in twelve countries have been noted, and investigations of some of them have revealed that the abrasives were to be transshipped to satellite countries. The quantities appear, however, to add up to more than the annual requirements of all the satellite countries put together. Since Soviet production has been sufficient for practically all requirements of abrasive grain, it is not very likely that any of this abrasive was destined for Soviet consumption. It is more likely that some satellite or satellites are attempting to stockpile the material.